

## Message Text

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ORIGIN PM-07

INFO OCT-01 EA-11 ISO-00 DODE-00 AID-20 IGA-02 OMB-01

CIAE-00 INR-10 NSAE-00 RSC-01 NSC-07 SPC-03 SS-20

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DRAFTED BY DOD/DSAA:DEVANS:PM/SAS:TCOONY/CT/RS

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P 111530Z MAR 74

FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA PRIORITY

S E C R E T STATE 048120

E.O. 11652: GDS

TAGS: MASS, ID, US

SUBJECT: FY 1976-80 SECURITY ASSISTANCE PROGRAM GUIDANCE

FOR INDONESIA

REFERENCE: STATE 31505/152126Z

JOINT STATE/DEFENSE MESSAGE

FOR THE AMBASSADOR

1. REFTEL PROVIDED GENERAL INFORMATION AND GUIDANCE RELATIVE TO THE FY 1976 AND OUTYEAR SECURITY ASSISTANCE PROGRAM TOGETHER WITH SPECIFIC INFORMATION NEEDED FOR (A) POM UPDATE SUBMISSION BY THE UNIFIED COMMAND AND (B) THE OVERALL ASSESSMENT OF THE SECURITY ASSISTANCE PROGRAM BY THE CHIEF OF MISSION.

2. THE FOLLOWING RELATES SPECIFICALLY TO THE FY 1976 AND OUTYEAR SECURITY ASSISTANCE PROGRAM FOR INDONESIA:

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A. SECURITY ASSISTANCE OBJECTIVES.

- (1) PROVIDE TANGIBLE EVIDENCE OF U.S. SUPPORT OF THE SUHARTO GOVERNMENT;
- (2) CONTRIBUTE TO MAINTENANCE OF FRIENDLY GOI RELATIONS WITH THE U.S. AND INDONESIA'S FREE WORLD NEIGHBORS.
- (3) PROVIDE SUPPORT FOR THE DEVELOPMENT OF AN EFFECTIVE MILITARY ESTABLISHMENT CAPABLE OF MAINTAINING INTERNAL SECURITY AND SELF-DEFENSE, AND ACTING AS A STABILIZING ELEMENT IN THE INDONESIAN SOCIETY, BUT WITHOUT REVIVING FEARS AMONG ITS NEIGHBORS OR GENERATING DOMESTIC POLITICAL TENSIONS.
- (4) HELP PRESERVE US ACCESS TO INDONESIAN RAW MATERIAL PRODUCTION.
- (5) WHEN APPROPRIATE, COUNTRY PROGRAMS, BOTH GRANT AID AND SALES, SHOULD BE CONFIGURED TO ENHANCE EVENTUAL DEFENSE MATERIEL COMPATIBILITY IN THE AREA.

B. PROGRAM GUIDELINES FOR FY 1976-80:

- (1) CONCENTRATE SUPPORT ON PROJECTS RELATED TO US-FURNISHED MATERIEL.
- (2) PROVIDE O&M SUPPORT ONLY FOR US-FURNISHED EQUIPMENT. ENCOURAGE THE INDONESIAN MILITARY TO BEGIN ASSUMING MORE O&M COSTS.
- (3) PLACE INCREASING EMPHASIS ON TRAINING AND TECHNICAL ASSISTANCE TO IMPROVE INDONESIAN MAINTENANCE/LOGISTIC CAPABILITIES. PROGRAMMING OF INVESTMENT ITEMS WHICH WOULD OVER-EXTEND INDONESIAN MAINTENANCE CAPABILITIES SHOULD BE AVOIDED.
- (4) HELP REDUCE THE IMPACT OF INDONESIAN MILITARY EXPENDITURES ON ECONOMIC DEVELOPMENT AND CONTINUE TO CAUTION AGAINST A RAPID INCREASE IN MILITARY EXPENDITURES.

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- (5) CONTINUE COMBINED PLANNING OF SECURITY ASSISTANCE WITH THE INDONESIANS, ENCOURAGING THEIR INITIATIVE IN DECIDING ON PROJECTS, AND HARMONIZING US AND INDONESIAN OBJECTIVES FOR SUCH ASSISTANCE.
- (6) MAINTAIN FLEXIBILITY TO DECREASE GRANT ASSISTANCE IF GOI FOREIGN EXCHANGE RESERVES INCREASE SIGNIFICANTLY.

(7) AVOID LONG-TERM PROJECTS WHICH WOULD COMMIT US TO  
CONTINUED HIGH LEVELS OF ASSISTANCE.

(8) CONTINUE CLOSE, COORDINATED PLANNING WITH THE  
AUSTRALIANS TO ENSURE THAT OUR RESPECTIVE MILITARY  
ASSISTANCE PROGRAMS ARE COMPLEMENTARY AND PROVIDE THE  
MAXIMUM BENEFIT TO THE INDONESIAN ARMED FORCES.

C. DOLLAR GUIDANCE FOR PLANNING (DOLS IN MILLIONS):

	MAP	GRANT	FMS	
MATERIEL	TRAINING	CREDIT	TOTAL	
FY 76	20.0	1.8	10.0	31.8
FY 77	18.0	1.8	10.0	29.8
FY 78	15.0	1.7	11.0	27.7
FY 79	13.0	1.5	12.0	26.5
FY 80	11.0	1.5	13.0	25.5

NOTE: ESTIMATED SUPPLY OPERATIONS COSTS ARE NOT INCLUDED  
IN MAP MATERIEL DOLLAR GUIDANCE OR TOTAL. FOR FY 76,  
SUPPLY OPERATIONS COSTS ARE ESTIMATED 2.3 MILLION DOLLARS.

3. IN ANTICIPATION THAT ACTUAL APPROPRIATIONS MAY WELL  
BE LOWER THAN PLANNING FIGURES, THE POM UPDATE SUBMISSION  
SHOULD PROVIDE A DETAILED PRIORITY LISTING OF EQUIPMENT  
TO BE FUNDED. KISSINGER

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## Message Attributes

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